

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE REPUBLIC OF PANAMA
ON
THE FULBRIGHT EXCHANGE PROGRAM**

The Government of the United States of America and the Government of the Republic of Panama (hereinafter jointly referred to as "the Parties"), desiring to continue to promote mutual understanding between the peoples of both countries via a wider exchange of knowledge and professional talents through educational activities,

Have agreed as follows:

ARTICLE 1

1.1 The Parties hereby express their support of the Fulbright Scholarship Program and other academic, professional and cultural exchanges between the United States of America and the Republic of Panama.

1.2 The Parties agree to facilitate the exchange activities envisioned by this Memorandum of Understanding via the Fulbright Scholarship Program.

1.3 The implementers of this Memorandum of Understanding are, on behalf of the United States of America, the Public Affairs Section of the U.S. Embassy in Panama City (hereinafter referred to as "PAS") and, on behalf of the Republic of Panama, the National Bureau of Science, Technology and Innovation (hereinafter referred to as "Senacyt") acting under the authority of the "Convenio SENACYT-IFARHU ("Programa Nacional de Formación de Investigadores "Becas Reembolsables 2005 - 2010").

ARTICLE 2

2.1 The Parties recognize that the collaborative implementation of these exchange activities will involve shared costs and services in support of Panamanian graduate students or professors (hereinafter referred to as "Grantees") pursuing degrees at the Masters and PhD levels under the auspices of the Fulbright Scholarship Program.

2.2 For the duration of the Parties' cooperation under this Memorandum of Understanding, the Government of Panama will fund up to ten (10) scholarships per year, each scholarship providing funding for two to four academic years.

2.3 The Government of the United States will continue to support a full complement of Fulbright grants, the number of which will not be reduced by the number supported by Senacyt.

ARTICLE 3

The name of the partnered program is the Fulbright-Senacyt Scholarship Program.

ARTICLE 4

4.1 The Parties agree that applications for student and faculty scholarships under the Fulbright-Senacyt Scholarship Program will be assessed as part of the standard process for the Fulbright Scholarship Program described in annual advertising and on the website of the U.S. Embassy in Panama City. The Parties will instruct applicants to indicate whether they are applying for the traditional Fulbright award or an award under the Fulbright-Senacyt Scholarship Program, and will conduct review of the applications by separate panels. The parties agree that only applicants proposing to study in the fields of Science, Technology and Innovation will be eligible for awards under the Fulbright-Senacyt Scholarship Program. The official announcement is made annually via nationwide advertising in the media inviting applications, and describing requirements and opportunities. Senacyt may place the same information on their websites.

4.2 The Parties agree that all applicants will apply on their own behalf and will complete all requirements for testing in order to qualify for a scholarship.

4.3 The Parties agree that all qualified applicants for the Fulbright-Senacyt Scholarship Program will be interviewed by a committee composed of representatives of PAS and a Fulbright alumnus or alumna, and will be evaluated and rank-ordered by the committee according to their likelihood of success in a U.S. university program at the Masters or PhD level. The committee will also include a Senacyt representative, who will act only as an observer.

4.4 The Parties agree that Senacyt will nominate Grantees from this list of recommended candidates, according to its own priorities and funding levels.

4.5 The Parties agree that the J. William Fulbright Foreign Scholarship Board will make final selection of all Grantees.

ARTICLE 5

In carrying out the terms of this Memorandum of Understanding, the United States Government, through PAS or other offices or entities as appropriate, agrees to:

(a) Annually solicit Fulbright-Senacyt Scholarship Program applicants via a national, public, open competition directed to all Panamanian citizens without discrimination on the basis of gender, ethnicity, age, physical disability or religion.

(b) Receive and prepare for evaluation all applications for the Fulbright Scholarship Program, all Fulbright applications to be processed and evaluated alike.

(c) Provide for the placement, monitoring, and administration of Grantees in the United States by a cooperating agency working through an assistance award with the Department of State. The Parties agree that the cooperating agency will attempt to obtain the largest tuition waivers possible for all Fulbright grantees, including Fulbright-Senacyt grantees.

(d) Provide, through the cooperating agency, for enhancement programs, including orientation and professional workshops that would identify the Grantees as Fulbrighters and expose Grantees to the rich cultural and academic opportunities of their host country.

(e) Provide full financial support for up to six months of English language training in the United States for Grantees without adequate English language abilities.

(f) Provide assistance for Grantees in obtaining required J-1 visas, and J-1 visa renewals, with no processing fees.

ARTICLE 6

In carrying out the terms of this Memorandum of Understanding, the Government of the Republic of Panama, through Senacyt or other offices or entities as appropriate, agrees to:

(a) Include within Senacyt's annual budget sufficient funds to cover the Grantees' maintenance stipend, any tuition and/or academic fees not waived by the U.S. host institution, roundtrip economy airfare transportation, room and board, a one-time settling in allowance, the full cost of books, and the full cost of any health insurance coverage required beyond the Fulbright Accident and Sickness Program for Exchanges. Grantees will cover any costs that go beyond the yearly amount a Grantee receives from Senacyt.

(b) Through the Institute for Formation and Enhancement of Human Resources (IFARHU), the legal administrative agency for scholarships funds endowed by the Panamanian Government, provide payment to the cooperating agency via electronic transfer directly to the cooperating agency's bank account, to support Panamanian participants in the Fulbright-Senacyt Scholarship Program.

(c) Based on the cooperating agency's estimate of a Grantee's expected costs and pending the availability of SENACYT's funds, IFARHU will transfer 50% of the payment in the January following approval of Panamanian nominees by the Fulbright office in Washington, and submit the balance of payment in April to ensure placement of Panamanian nominees each academic year.

(d) Provide up to three (3) additional months of financial support for English language training in the United States for Grantees who require more than the six months of support provided by PAS.

ARTICLE 7

7.1 The Parties agree that Grantees will have the academic excellence required by U.S. universities to be admitted and to receive financial aid.

7.2 Grantees may suggest up to three (3) U.S. universities where they want to apply.

7.3 The Parties agree that the cooperating agency will work together with Grantees to approach high quality graduate programs in the United States that most adequately fit Grantees' profiles and study plans.

7.4 The Parties agree that the cooperating agency will review Grantees' documentation, and that the cooperating agency may suggest changes and/or additional university options.

7.5 Candidates are expected to accept the university offering the highest financial award, as determined by the cooperating agency.

7.6 A candidate may decide to accept a university offering less or no financial support, provided he/she presents financial support documentation which covers the difference. Neither Party assumes responsibility for the additional cost this choice signifies to the candidate.

7.7 The Parties agree that, in accepting a grant, a Grantee will affirm that he/she does not have any other grants duplicating benefits of the Fulbright-Senacyt Scholarship Program.

ARTICLE 8

8.1 The Parties agree that Fulbright-Senacyt Scholarship Program grants will be subject to the Policies of the J. William Fulbright Foreign Scholarship Board (hereinafter "Fulbright Policies").

8.2 Continuation by a Grantee in the Program depends on successful completion of the course of studies and compliance with the grant terms. Revocation, termination or suspension of a Fulbright-Senacyt grant is governed by Section 537 of the Fulbright Policies.

ARTICLE 9

The Parties agree that Grantees under the Fulbright-Senacyt Scholarship Program, including accompanying dependents, are subject to the two-year home residence requirement, Section 212(e) of the U.S. Immigration and Nationality Act, requiring that they return to and reside in the Republic of Panama for two calendar years upon completion of their Fulbright-Senacyt Scholarship Program grant before they may request a resident or work visa in the United States. All selected candidates will be required to sign a document in which they confirm that this requirement is understood and adhered to. The Government of the Republic of Panama will not issue statements of no objection to Grantees seeking waivers of the two-year home residence requirement.

ARTICLE 10

The Parties agree that any dispute between the Parties arising out of the interpretation, application or implementation of the provisions of this Memorandum of Understanding will be settled amicably through consultation or negotiation between the Parties.

ARTICLE 11

This Memorandum of Understanding and the activities hereunder shall be subject to the laws and regulations of the Parties, as applicable, including those concerning the availability of funds.

ARTICLE 12

This Memorandum of Understanding shall enter into force upon signature and may be amended by written agreement of the Parties. Either Party may terminate this Memorandum of Understanding at any time, although such Party agrees to give the other Party twelve

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months' written notice of its intention to terminate. Commitments made to Grantees already in the Fulbright-Senacyt Scholarship Program will be fully honored.

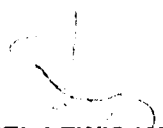
DONE at Panama City, Republic of Panama this 10 day of December, 2008, in duplicate, in the English and Spanish languages, both texts being equally authentic.

**FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA**



CONDOLEEZZA RICE
Secretary of State

**FOR THE GOVERNMENT OF
THE REPUBLIC OF PANAMA**



SAMUEL LEWIS NAVARRO
First Vice-President of the
Republic and Minister of
Foreign Affairs